



Nictus Holdings Limited
Consolidated Unaudited
Group Results

for the six months ended 30 September 2018

NICTUS HOLDINGS CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 18	30 Sept 17		Year ended 31 Mar 18
Revenue		406,726	433,782	(6)	831,921
Cost of sales		(296,571)	(321,914)	8	(604,631)
Claims incurred		(10,890)	(5,790)	88	(16,510)
Gross profit		99,265	106,078	(6)	210,780
Other income		4,793	7,388	(35)	19,123
Fair value adjustment		-	-	-	(1,933)
Investment income from operations		14,815	19,092	(22)	29,058
Operating and administrative expenses		(110,599)	(122,184)	9	(240,251)
Operating profit		8,274	10,374	(20)	16,777
Investment income		1,506	1,785	(16)	2,538
Operating profit before financing costs	5	9,780	12,159	(20)	19,315
Financing costs		(9,340)	(10,597)	(12)	(20,268)
Profit before taxation		440	1,562	(72)	(953)
Taxation		1,372	519	164	6,551
Profit for the period		1,812	2,081	(13)	5,598
Total comprehensive income for the period		1,812	2,081	(13)	5,598

Other comprehensive income:

Gain on property revaluation	-	-	-	1,828	
Income tax relating to items that will not be reclassified	-	-	-	(585)	
Other comprehensive income for the year net of taxation	-	-	-	1,243	
Total comprehensive income for the year		1,812	2,081	(13)	6,841

Total comprehensive income attributable to:

Owners of the Parent		1,812	2,081	(13)	6,841
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Earnings per share

Basic earnings per share (cents)	8	3.39	3.89	(13)	10.47
Diluted earnings per share (cents)		3.39	3.89	(13)	10.47
Basic earnings per share excluding Treasury Shares (cents)		3.45	-	-	-
Diluted earnings per share excluding Treasury Shares (cents)		3.45	-	-	-
Dividends per share (cents) * **		12.00	12.00	-	12.00
Number of shares in issue (000's)		53,444	53,444	-	53,444
Number of Treasury shares held in Group (000's)		983	-	-	-

* Dividends paid July 2018 of 12 cents per share

** Dividends paid July 2017 of 12 cents per share

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

Figures in N\$'000	Unaudited		Audited
	30 Sept 18	30 Sept 17	31 Mar 18
ASSETS			
Non-current assets	794,860	750,603	929,524
Property, plant and equipment	339,867	345,104	340,220
Investment property	43,642	33,219	43,350
Intangible assets	1,905	910	2,187
Investments	400,506	366,057	533,873
Deferred tax assets	8,940	5,313	9,894
Current assets	926,885	933,951	803,834
Total assets	1,721,745	1,684,554	1,733,358
EQUITY	161,708	161,284	166,044
Stated capital	129	129	129
Revaluation reserve	58,848	58,767	58,848
Contingency reserve (Insurance)	15,551	15,551	15,551
Retained earnings	87,180	86,837	91,516
LIABILITIES			
Non-current liabilities	155,357	155,420	152,430
Interest bearing loans and borrowings	127,223	124,889	121,966
Deferred tax liabilities	28,134	30,531	30,464
Current liabilities *	1,404,680	1,367,850	1,414,884
Insurance contract liability	1,288,412	1,186,214	1,276,311
Other current liabilities	116,268	181,636	138,573
Total liabilities	1,560,037	1,523,270	1,567,314
Total equity and liabilities	1,721,745	1,684,554	1,733,358

The above statement of financial position should be read in conjunction with the accompanying notes.

* Included in current liabilities is the insurance contract liability. Premiums received under this liability are invested in terms of the insurance act enacted in Namibia with the result that certain investments are of a long term nature.

NICTUS HOLDINGS CONSOLIDATED UNAUDITED GROUP RESULTS

STATEMENT OF CHANGES IN EQUITY

	Stated capital N\$'000	Revaluation reserve N\$'000	Contingency reserve N\$'000	Retained earnings N\$'000	Total equity N\$'000
Balance at 1 April 2017	129	58,767	15,551	90,898	165,345
<i>Total comprehensive income</i>	-	-	-	2,081	2,081
Profit for the period	-	-	-	2,081	2,081
<i>Contributions by and to the owners of the Group</i>	-	-	-	(6,142)	(6,142)
Dividends to equity holders	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	271	271
Balance at 30 September 2017	129	58,767	15,551	86,837	161,284
<i>Total comprehensive income</i>	-	1,243	-	3,517	4,760
Profit for the period	-	-	-	3,517	3,517
Other comprehensive income	-	1,243	-	-	1,243
<i>Transfers of revaluation reserve to retained earnings</i>	-	(1,162)	-	1,162	-
<i>Contributions by and to the owners of the Group</i>	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-
Prescribed dividends	-	-	-	-	-
Balance at 31 March 2018	129	58,848	15,551	91,516	166,044
<i>Total comprehensive income</i>	-	-	-	1,812	1,812
Profit for the period	-	-	-	1,812	1,812
<i>Contributions by and to the owners of the Group</i>	-	-	-	(6,148)	(6,148)
Dividends to equity holders	-	-	-	(6,413)	(6,413)
Prescribed dividends	-	-	-	265	265
Balance at 30 September 2018	129	58,848	15,551	87,180	161,708

STATEMENT OF CASH FLOW

Figures in N\$'000	Unaudited		Audited
	Six months ended 30 Sept 18	30 Sept 17	Year ended 31 Mar 18
Cash (used in) / generated from operations	(110,252)	14,676	258,148
Investment income	1,506	1,785	2,538
Finance cost	(9,340)	(10,597)	(20,268)
Net cash (used in) / generated from operating activities	(118,086)	5,864	240,418
Net cash generated from / (used in) investing activities	130,124	28,588	(157,016)
Proceeds from interest bearing loans and borrowings	14,268	23,007	(19,224)
Dividends paid	(6,413)	(6,413)	(6,413)
Loans advanced to related parties	(6,949)	(1,373)	(540)
Net cash generated from financing activities	906	15,221	(26,177)
Net movement in cash and cash equivalents	12,944	49,673	57,225
Cash and cash equivalents at beginning of period	394,215	336,990	336,990
Cash and cash equivalents at end of period	407,159	386,663	394,215

The above statement of cash flow should be read in conjunction with the accompanying notes.

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in N\$'000	Note	Unaudited		Audited
		Six months ended 30 Sept 18	30 Sept 17	Year ended 31 Mar 18
Profit for the period, net of taxation		1,812	2,081	5,598
Profit on disposal of plant and equipment		(51)	(179)	(276)
Fair value adjustment on Investment property		-	-	1,933
Headline earnings	8	1,761	1,902	7,255
Headline earnings per share (cents)		3.30	3.56	13.57
Diluted Headline earnings per share (cents)		3.30	3.56	13.57

NICTUS HOLDINGS CONSOLIDATED UNAUDITED GROUP RESULTS

SEGMENTAL ANALYSIS

Figures in N\$'000	Note	Unaudited		Change %	Audited
		Six months ended 30 Sept 18	30 Sept 17		Year ended 31 Mar 18
Segment assets					
Retail		275,207	309,354	(11)	305,746
Property		387,439	375,525	3	386,807
Insurance & Finance		1,394,933	1,289,345	8	1,385,959
		<u>2,057,579</u>	<u>1,974,224</u>	<u>4</u>	<u>2,078,512</u>
Head office and eliminations		(335,834)	(289,670)	16	(345,154)
	6	<u>1,721,745</u>	<u>1,684,554</u>	<u>2</u>	<u>1,733,358</u>
Segment revenue					
Retail		358,778	398,477	(10)	749,943
Property (mainly intercompany)		13,345	13,755	(3)	27,434
Insurance & Finance		61,923	48,012	29	99,280
		<u>434,046</u>	<u>460,244</u>	<u>(6)</u>	<u>876,657</u>
Head office and eliminations		(27,320)	(26,462)	3	(44,736)
	6	<u>406,726</u>	<u>433,782</u>	<u>(6)</u>	<u>831,921</u>
Operating (loss) / profit after taxation					
Retail		(7,377)	(9,312)	21	(12,213)
Property		(1,822)	(2,038)	11	(4,778)
Insurance & Finance		11,449	12,540	(9)	25,322
		<u>2,250</u>	<u>1,190</u>	<u>89</u>	<u>8,331</u>
Head office and eliminations		(438)	891	(149)	(2,733)
	6	<u>1,812</u>	<u>2,081</u>	<u>(13)</u>	<u>5,598</u>

The above segmental analysis should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards, (IAS) 34 Interim Financial Reporting, and the Companies Act of Namibia. These condensed Group financial statements do not include all the information necessary for full International Financial Reporting Standard disclosure. The accounting policies are consistent with those applied for the year ended 31 March 2018.

The interim financial statements are presented in thousands of Namibia Dollars (N\$'000) on the historical cost basis, except for financial instruments which are measured at fair value and land and buildings held for administrative purposes which are measured at revalued amounts.

The condensed consolidated interim financial results are unaudited and have not been reviewed by the independent external auditors.

2. FOREIGN CURRENCY

The Group's functional and presentation currency is the Namibia Dollar. The Company's primary listing is on the Namibian Stock Exchange (NSX).

3. COMPARATIVE FIGURES

The comparative information for the six months ended 30 September 2017, is consistent with the accounting policies and basis of preparation applied to both the current interim financial period and the previous financial year ended 31 March 2018.

4. RELATED PARTIES

During the period under review, certain companies within the Group entered into transactions with each other. These intra-Group transactions have been eliminated on consolidation. Related parties remain unchanged from that reported at 31 March 2018.

5. REVIEW OF OPERATIONS

Overview of first six months

Maintaining our business in the current economic conditions was challenging and this is reflected in the results for the first six months of the year.

6. SEGMENT RESULTS

Retail segment: Revenue declined compared to the prior reporting period. Even though the segment has made a loss for the first six months of the year, results have improved. There was a further contraction in the motor industry and this reflects in the segment results. The release of new Isuzu and Opel range of vehicles are positive developments.

Property Companies: Revenues have declined slightly compared to the prior year. Installation of a solar system on the Nictus Building will result in a significant cost savings for the segment in future. This is our contribution to create a green environment as a responsible corporate citizen. It is expected that installation will be complete by end of November 2018.

Insurance and finance: Results for the segment have been in line with expectations. There have been regulatory changes from NAMFISA in terms of levy collections that resulted in an increase of costs associated with the Regulator. Further changes in respect of legislation are expected and this will affect the insurance and finance industry as a whole.

7. DETERMINATION & DISCLOSURE OF FAIR VALUES

Fair values have been determined for measurement and/or disclosure purpose based on the following methods.

The models and inputs used have not changed since the year end:

Investment properties and land and buildings

The Group's Board of directors revalued the land and buildings at 31 March 2018. During the six months under review, the aggregated investments still approximated its fair value. The fair values are based on valuations and other market information that take into consideration the estimated rental value and replacement value of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. Should any of the assumptions used in the valuation calculation change, it may have a material impact on the results of the Group.

Investment in equity and debt securities

The fair values of the financial assets were determined as follows:

- The fair values of listed or quoted investments are based on the quoted market price;
- Debt securities are measured at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents for the Group is of a short-term nature and the fair values approximates the carrying amount.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The carrying amount of short-term trade and other receivables is believed to approximate their fair values.

Trade and other payables

All trade and other payables are of a short term nature and the fair value of trade and other payables is believed to approximate the carrying amount.

Interest bearing borrowings and related party loans

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Interest rates used for determining the fair value is the prime interest rate.

Fair value hierarchy

For financial instruments recognised at fair value, disclosure is required of a fair value hierarchy which reflects the significance of the inputs used to make the measurements.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

7.1 Categories of financial instruments

Figures in N\$'000	Unaudited 30 September 2018		
	Loans and receivables	Fair value through profit or loss	Total
Financial assets			
Cash and cash equivalents	407,159		407,159
Investments	393,041	32,045	425,086
Trade and other receivables (excluding VAT)	355,503		355,503
	1,155,703	32,045	1,187,748
	Financial liabilities at amortised cost	Fair value through profit or loss	Total
Financial liabilities			
Loans from related parties	33,102		33,102
Interest - bearing loans and borrowings	162,917		162,917
Trade and other payables (excluding VAT)	45,751		45,751
	241,770	-	241,770

7.2 Fair value hierarchy for financial instruments, land and buildings and investment property

Figures in N\$'000	Unaudited 30 September 2018		
	Fair Value	Level 1	Level 2
Assets			
Land	94,075		94,075
Buildings	228,495		228,495
Investment property	43,642		43,642
Listed shares	32,045	32,045	-
Debt securities	-	-	-
Loans and receivables	393,041		393,041
	791,298	32,045	759,253

There were no transfers between the levels for the reporting period.



Unaudited		
30 September 2017		
Loans and receivables	Fair value through profit or loss	Total
386,663		386,663
355,437	23,983	379,420
383,890		383,890
1,125,990	23,983	1,149,973

Financial liabilities at amortised cost	Fair value through profit or loss	Total
39,217		39,217
190,880		190,880
73,736		73,736
303,833	-	303,833

Audited		
31 March 2018		
Loans and receivables	Fair value through profit or loss	Total
394,215		394,215
527,101	29,285	556,386
231,448		231,448
1,152,764	29,285	1,182,049

Financial liabilities at amortised cost	Fair value through profit or loss	Total
40,051		40,051
148,649		148,649
69,426		69,426
258,126	-	258,126

Unaudited			
30 September 2017			
Fair Value	Level 1	Level 2	Level 3
102,274		102,274	
215,440		215,440	
33,219		33,219	
22,983	22,983	-	
1,000	1,000	-	
355,437		355,437	
730,353	23,983	706,370	

Audited		
31 March 2018		
Fair Value	Level 1	Level 2
94,075		94,075
227,530		227,530
43,350		43,350
28,285	28,285	-
1,000	1,000	-
527,101		527,101
921,341	29,285	892,056

8. HEADLINE EARNINGS

For the six month period ended 30 September 2018 the only item that impacted the headline earnings calculation are the profit on disposal of plant and equipment.

9. BASIC EARNINGS PER SHARE

Earnings per share based on profit for the six months ended 30 September 2018 was 3,39 cents (30 September 2017: 3,89 cents), compared to a headline earnings per share of 3,30 cents (30 September 2017: 3,56 cents).

10. DIVIDENDS

Ordinary dividends of 12 cents per share (N\$ 6,4 million) were declared and paid by the Company on 23 July 2018. No interim dividend has been proposed by the Board of directors.

11. DIRECTORS

The following directors were re-elected at the Annual General Meeting on 30 August 2018 – Messrs PJ de W Tromp, FR van Staden, GR de V Tromp.


JD Mandy, FR van Staden and GR de V Tromp were elected as members of the Audit Committee.

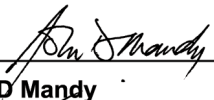
12. PROSPECTS

Traditionally, the majority of the Group's earnings have been generated during the second half of the financial year and the expectation is that this trend will continue during this financial year. The opening of the new Peugeot and Opel assembly plant in Namibia is positive for the motor segment as increased focus would be placed on locally produced vehicles. The current economic environment is seen as the "new normal" and our operational segments have adjusted to be sustainable within this environment. Results of these adjustments can be seen in improved results for the retail segment and we expect that these gains will continue.

Creating exceptional wealth for our stakeholders remains our aim.

On behalf of the board:



P J de W Tromp

J D Mandy

NICTUS HOLDINGS LIMITED COMPANY DETAILS

Registration Number: 1962/1735

NSX Share Code: NHL

ISIN Number: NA000A1J2SS6

Directorate

Gerard Swart (*Independent Non-Executive Chairman*)

Philippus J de W Tromp (*Managing Director*)

Frans R van Staden (*Executive*)

Wilmar O Fourie (*Executive*)

Nicolaas C Tromp (*Non-Executive*)

John D Mandy (*Independent Non-Executive*)

Gerard R de V Tromp (*Non-Executive*)

Registered Office

Nictus Building, 140 Mandume Ndemufayo Avenue
Southern Industrial Area, Windhoek

Transfer Secretaries

Veritas Board of Executors (Proprietary) Limited

140 Mandume Ndemufayo Avenue

Southern Industrial Area, Windhoek

P O Box 755, Windhoek, Namibia

Independent External Auditors

SGA Chartered Accountants and Auditors

Sponsor on the NSX

Simonis Storm Securities (Pty) Ltd

NICTUS GROUP OF COMPANIES

